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NSC BRIEFING

POCUMENT NO. ...
NO CHANGE IN CLASS. : 17 June 1959
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AUTHOR BR 70/4
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IRAQ

- New, more serious dispute between Iraqi Communists and Prime Minister Qasim has developed during past week.
 - A. Communists took strong exception to government announcement that number of political "exiles"--persons in enforced residence--would be permitted to return to their homes to celebrate Moslem holiday on 16 June. Sentences of other prisoners have been reduced by 10 percent.
 - 3. The leading Communist party newspaper says this amnesty "will lead to nothing but disturbance of peace and stability of republic," since those banished were mostly "feudalists and reactionaries" who took part in imperialist plots, and they will now be encouraged to resume their activities.
- II. This is only one, although most significant, of indignities Communists have recently suffered. Others include:
 - A. Arrest of several Communists in provincial disorders and determined action by truncheon-wielding police against Communist goons in Baghdad.
 - B. Qasim's declaration that he intends to raise condition of poor, but not at expense of rich.
 - C. Successful resistance of Foreign Minister Jawad to Communist demands for purge of his ministry.
 - organs to meeting of Iraqi Federation of Democratic Youth, leading Communist front.

- E. Full treatment given by Baghdad radio to Iraqi ambassador
 Washington's interview with President Eisenhower, including good
 wishes President asked ambassador to convey to Qasim and Iraqi
 people.
- III. At same time, there are persistent reports of split within Iraqi Communist party over tactics.
 - A. One wing allegedly favors continuing strong pressure party
 has applied so far to force inclusion of Communists in cabinet.
 - B. Other faction counsels caution and continuing public support for Qasim until hard core of party has had time to improve organization and discipline of its mass of recent adherents.
- IV. Qasim's future course toward the Communists may depend on which of these elements comes out on top.
 - A. Although many Iraqis feel a real show-down is near, Qasim characteristically prefers cautious approach to any political problem, and Communists would probably have to make some openly threatening move before he would take direct action against them.
 - B. Qasim's most recent speeches, directed primarily at army audiences, suggest he is trying to get back in contact with "grass roots" of the army officer corps, whose support would be crucial in any crisis.
 - C. In speeches, Qasim has also mentioned important announcement which he plans to make next Tuesday. He said that it "will consolidate Iraqi economic existence" and "surprise foreigners and imperialists."

- D. Our best guess is that he will announce an agreement with Western-owned Iraqi Petroleum company, whereby company will yield large part its concession areas in western Iraq.
 - 1. IPC has concession to prespect in almost all of country.
 - 2. Company has long regarded these areas as relatively unpromising.
- E. Iraqi government itself is expected to run oil explorations and exploitation operations in these areas with assistance of Soviet specialists and technicians.